



OFFICE OF THE CONTROLLER
CITY AND COUNTY OF SAN FRANCISCO

Greg Wagner
Controller
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MEMORANDUM

TO: Citizens' General Obligation Bond Oversight Committee

FROM: Mark de la Rosa, Director of Audits
Audits Division, City Services Auditor 

DATE: August 5, 2024

SUBJECT: CSA Audits Activity Update

The following are highlights of the City Services Auditor (CSA) Audits Division's activity from May 31, 2024, through August 05, 2024.

Date Issued	Report
6/12/2024	<p>31 City Nonprofit Suppliers Were Not in Good Standing per the State Charitable Trusts Registry as of August 16, 2023</p> <p>The assessment of the City and County of San Francisco (City) nonprofit suppliers' compliance with the State of California Attorney General's Registry of Charitable Trusts found that 31 nonprofit suppliers that had a charity registration status of delinquent or revoked as of August 16, 2023, had open contracts with the City, were paid by the City, or received a purchase order from the City during July 1 through September 6, 2023. As of March 2024, 12 of the 31 nonprofit suppliers had remedied their status.</p>
6/27/2024	<p>Port Commission: SP Plus-Hyde Parking Joint Venture LLC, Reported Gross Revenues and Paid Rent in Accordance With Its Lease Agreement for January 1, 2018, Through December 31, 2021</p> <p>SP Plus-Hyde Parking Joint Venture LLC correctly reported gross revenues, remitted rent, and complied with provisions of its lease agreement with the Port. The tenant reported gross revenues of \$14,630,743 and paid \$10,577,705 in rent for the audit period in accordance with the lease agreement.</p>

Date Issued	Report
6/27/2024	<p data-bbox="402 331 1409 443">Port Commission: Blue & Gold Fleet, L.P., Reported Gross Revenues and Paid Rent in Accordance With Its Lease Agreement for January 1, 2016, Through December 31, 2019</p> <p data-bbox="402 485 1409 632">Blue & Gold Fleet, L.P., correctly reported gross revenues, remitted rent, and complied with provisions of its lease agreement with the Port. The tenant reported gross revenues of \$36,359,213 and paid \$2,990,859 in rent for the audit period in accordance with the lease agreement.</p>
6/27/2024	<p data-bbox="402 667 1409 779">Port Commission: AMB Pier One, LLC, dba Prologis, Reported Gross Revenues and Paid Rent in Accordance With Its Lease Agreement for July 1, 2019, Through June 30, 2021</p> <p data-bbox="402 821 1409 968">AMB Pier One, LLC. dba Prologis, correctly reported rental income, remitted rent, and complied with provisions of its lease agreement with the Port. The tenant paid \$4,667,067 in rent to the Port for the audit period in accordance with the lease agreement.</p>
7/11/2024	<p data-bbox="402 1003 1409 1073">Port Commission: The Port of San Francisco Adequately Documented Adherence to Most Close-Out Requirements for Its Crane Cove Park Building 49 Contract</p> <p data-bbox="402 1115 1409 1304">The audit of the compliance of the Port of San Francisco (the Port) with the close-out provisions of its contract with Wickman Development & Construction for the Crane Cove Park Building 49 Project found that of the 62 contract close-out requirements, the Port adequately documented full adherence to 55, partial adherence to 6, and no adherence to 1.</p>
7/18/2024	<p data-bbox="402 1339 1409 1381">City Services Auditor Annual Work Plan Fiscal Year 2024-25</p> <p data-bbox="402 1423 1409 1776">The annual work plan for fiscal year 2024-25 highlights the work done by the Controller's CSA, which consists of the Audits Division and City Performance Division. In fiscal year 2024-25, CSA will continue to support city leadership and departmental staff to focus on critical areas of need in the City and County of San Francisco, with a particular focus on projects related to public health, homelessness, and improving contracting processes and performance management for departments that contract with nonprofit. CSA will also continue its public integrity assessments and devote more resources to audits of city operations, including audits of information technology and cybersecurity, nonprofits, and city procurement.</p>

Date Issued	Report
7/24/2024	<p data-bbox="402 331 1382 447">All 20 Selected Recipients of City Funds—10 in FY 2019-20 and 10 in FY 2020-21—Complied With the SF Administrative Code, Chapter 12G, by Not Using the Funds for Political Activity</p> <p data-bbox="402 485 1414 709">The assessment of 20 funding recipients' compliance with the San Francisco Administrative Code, Chapter 12G, which prohibits the use of city funds for political activity found all 20 of these entities —10 in fiscal year 2019-20 and 10 in fiscal year 2020-21—were found to have complied with the Administrative Code by not using for political activity any city funds they received under city grants, contracts, or loans.</p>
8/1/2024	<p data-bbox="402 741 1203 814">Public Integrity Review: 2024 Update – Implementation Status of Recommendations</p> <p data-bbox="402 852 1398 1115">In January 2020 the City Attorney's Office, with the support of the Controller's Office, launched an independent public integrity investigation and created a hotline in response to federal criminal charges against Mohammed Nuru for aiding and abetting honest services wire fraud in connection with an alleged scheme to bribe public officials. Concurrently, the Controller, in conjunction with the City Attorney, undertook a Public Integrity review of city contracts, purchase orders, and grants for red flags that could indicate process failures.</p> <p data-bbox="402 1152 1414 1260">The report provides an update on the legal actions to date and the implementation of our office's recommendations to improve transparency, reduce the risk of fraud, and safeguard public funds.</p>